

Please note: These transcripts are not individually reviewed and approved for accuracy.

BEFORE THE  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD  
MARKET DEVELOPMENT COMMITTEE

IN THE MATTER OF THE: )  
 )  
MARKET DEVELOPMENT )  
COMMITTEE MEETING )  
\_\_\_\_\_ )

DATE AND TIME: WEDNESDAY, DECEMBER 3, 1997  
9:36 A.M.

PLACE: BOARD HEARING ROOM  
8800 CAL CENTER DRIVE  
SACRAMENTO, CALIFORNIA

REPORTER: MARK BRICKMAN, CSR  
CERTIFICATE NO. 5527

BRS FILE NO.: 42700

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APPEARANCES

MR. PAUL RELIS, CHAIRMAN  
MR. WESLEY CHESBRO, MEMBER  
MR. DANIEL G. PENNINGTON, MEMBER

STAFF PRESENT

MR. KEITH SMITH, DEPUTY EXECUTIVE OFFICER  
MS. KATHRYN TOBIAS, LEGAL COUNSEL  
MS. DONNELL DUCLO, COMMITTEE SECRETARY

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1                               SACRAMENTO, CALIFORNIA;  
2                               WEDNESDAY, DECEMBER 3, 1997  
3                               9:36 A.M.  
4  
5                               CHAIRMAN RELIS: CALL TO ORDER THE MARKET  
6                               DEVELOPMENT COMMITTEE.  
7                               DONNELL, WOULD YOU PLEASE CALL THE  
8                               ROLL?  
9                               THE SECRETARY: MEMBER PENNINGTON?  
10                              MEMBER PENNINGTON: HERE.  
11                              THE SECRETARY: MEMBER CHESBRO.  
12                              MEMBER CHESBRO: (NOT CURRENTLY PRESENT.)  
13                              THE SECRETARY: CHAIRMAN RELIS.  
14                              CHAIRMAN RELIS: HERE.  
15                              OKAY. ANY EX-PARTE BUSINESS?  
16                              MEMBER PENNINGTON: NOT FOR ME, MR.  
17                              CHAIRMAN.  
18                              CHAIRMAN RELIS: OKAY. WE'LL THEN ASK FOR  
19                              THE MARKET DEVELOPMENT COMMITTEE REPORT.  
20                              MS. BROW: YES. MR. CHAIRMAN, MR.  
21                              PENNINGTON, I'M CAROL BROW. I'M STANDING IN FOR  
22                              CAREN TRGOVCICH TO DO THE DEPUTY DIRECTOR'S REPORT  
23                              TODAY.  
24                              THIS MONTH'S DEPUTY DIRECTOR'S REPORT  
25                              COVERS ACTIVITY IN THE AREA OF PRIVATE BIORECYCLED

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1 PROGRAM, MARKET DEVELOPMENT, UTILIZATION RATE  
2 EFFORTS, EQUAL INDUSTRIAL PARK DEVELOPMENT, AND THE  
3 USUAL LOAN PROGRAM INFORMATION.

4 REGARDING THE PRIVATE BIORECYCLED  
5 PROGRAM, AS PART OF THE NORTHERN CALIFORNIA  
6 RECYCLED PAPER COALITION AND MODEL GREEN BUILDING  
7 PROJECT, BIORECYCLED SECTION STAFF HELPED ARRANGE  
8 AND ATTEND A KICKOFF PRESS EVENT TO PUBLICIZE THE  
9 EXPANSION OF THE MONEY STORE'S RECYCLING PROGRAM.

10 A NUMBER OF LOCAL ELECTED OFFICIALS  
11 WERE THERE. BOARD MEMBER JONES MADE PRESENTATIONS  
12 TO MANY STORE EMPLOYEES AND OTHERS ATTENDING THE  
13 EVENTS, IN ADDITION TO SOME REALLY NEAT RAFFLE  
14 PRIZES WHICH WAS REALLY NICE TO SELL.

15 THE MONEY STORE DISTRIBUTED NOTEPADS  
16 MADE FROM OLD U.S. CURRENCY. THE MONEY STORE'S CAO  
17 STATED THAT THIS WAS THE CLOSEST WE'D EVER GET TO A  
18 FREE SAMPLE.

19 IN THE AREA OF COMPOST MARKET  
20 DEVELOPMENT, QUITE A BIT OF ACTIVITY IS GOING ON.  
21 THIS MONTH STAFF EXPECTS TO TEST MARKET THE  
22 COMPLETED AGRICULTURAL COMPOST DEMONSTRATIONS.  
23 EXCUSE ME. SKIPPED A LINE.

24 THIS MONTH STAFF EXPECTS TO TEST  
25 MARKET THE 20-MINUTE VIDEO "TWO THUMBS UP,"



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1 DOCUMENTING THE BOARD'S FIVE COMPLETED AGRICULTURAL  
2 DEMONSTRATIONS, COMPOST DEMONSTRATIONS.

3 ABOUT 60 ORGANIZATIONS AND STAFF WILL  
4 RECEIVE COPIES OF THE VIDEO. THESE INCLUDE THE  
5 CALIFORNIA FARM BUREAU, THE COMMUNITY ALLIANCE FOR  
6 FAMILY FARMERS, THE COOPERATIVE EXTENSION SERVICE,  
7 THE COMPOSTING COUNCIL, THE USDA NATURAL RESOURCES  
8 CONSERVATION SERVICE, AND PARTICIPANTS IN THE  
9 COMPOST DEMONSTRATIONS.

10 STAFF IS INVESTIGATING THE  
11 FEASIBILITY OF PRODUCING SHORTER NEWS -- VIDEO NEWS  
12 RELEASES WHICH ARE CALLED VNRS. THESE WILL BE 30,  
13 60 AND 90-SECOND SPOTS FOR TV AND PUBLIC SERVICE  
14 ANNOUNCEMENTS. THESE VNR'S AND PSA'S COULD BE  
15 DISTRIBUTED TO NEWS ORGANIZATIONS THROUGHOUT  
16 CALIFORNIA TO PRODUCE -- TO PROMOTE THE USE OF  
17 COMPOST AND MULCH IN AGRICULTURE.

18 BUY RECYCLED SECTION STAFF ALONG WITH  
19 BOARDMEMBER RELIS ATTENDED A MEETING TO REPORT ON  
20 THE BENEFITS OF USING MULCH IN COMPOST AND CITRUS  
21 ORCHARDS TO ENHANCE MULCH AND PREVENT ROOT ROT.

22 THIS EVENT HELD AT THE MATT MALONE  
23 RANCH IN POWAY COULD ONLY BE DESCRIBED AS A  
24 SMASHING SUCCESS. OVER 60 PEOPLE, MOSTLY AVOCADO  
25 AND CITRUS GROWERS, BRAVED A DOWNPOUR AND NEAR

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1 FREEZING TEMPERATURES TO LISTEN TO PRESENTATIONS  
2 AND WATCH THE BOARD'S NEW COMPOST VIDEO IN AN OPEN  
3 BARN.

4 ADDITIONALLY, THERE WAS A  
5 DEMONSTRATION OF THE PNEUMATIC MULCH SPREADER  
6 PURCHASED BY THE COUNTY FOR OUR PROJECT.

7 BASED ON THE INTEREST AND ATTENDANCE  
8 AT THIS MEETING, STAFF FEELS SIGNIFICANT HEADWAY IS  
9 BEING MADE IN THE ACCEPTANCE OF USE OF MULCH ON  
10 THESE CROPS.

11 REGARDING THE PAPER UTILIZATION RATE  
12 EFFORTS, WE WILL BE HOLDING THREE PAPER SES --  
13 FORUM SESSIONS AS THE COMMITTEE REQUESTED. THESE  
14 WILL BE ON THE 15TH AND 16TH OF THIS MONTH.

15 THE PURPOSE IS TO DISCUSS HOW TO  
16 IMPROVE THE BOARD'S PAPER UTILIZATION RATE  
17 CALCULATION METHOD AND HOW TO INCREASE PAPER  
18 RECOVERY AND DECREASE PAPER GENERATION IN  
19 CALIFORNIA.

20 WE HAVE A NEW EFFORT GOING ON IN THE  
21 AREA OF ECO-INDUSTRIAL PARK DEVELOPMENT. JOHN  
22 SMITH ATTENDED A WORKSHOP IN OAKLAND WHERE  
23 PERSONNEL FROM A VARIETY OF PUBLIC AND PRIVATE  
24 RECYCLING GROUPS, INCLUDING WASTE MANAGEMENT, WERE  
25 CONVENED TO DISCUSS THE CONCEPT OF ECO-INDUSTRIAL

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1        PARKS, SPECIFICALLY THE ONE PROPOSED AT THE DAVIS  
2        STREET TRANSFER AND WASTE PROCESSING SITE.

3                    AT THE MEETING, SOME NEXT STEPS WERE  
4        IDENTIFIED TO MOVE THE PROJECT ALONG. THE RESULT  
5        WAS SOME GOOD NEWS.

6                    THE FIRST INDUSTRIAL PARTNER IS  
7        SCHEDULED TO BEGIN WORK IN EARLY 1998. THEY ARE A  
8        CRUMB-RUBBER FACILITY CURRENTLY PRODUCING A NUMBER  
9        OF TIRE RELATED PROJECTS.

10                   THE BOARD COMMITTED TO IDENTIFY  
11        POSSIBLE FUNDING OPTIONS, BOTH -- FROM BOTH INSIDE  
12        AND OUTSIDE THE BOARD AND TO PROVIDE A VARIETY OF  
13        TECHNICAL ASSISTANCE AND ACTIVITIES.

14                   FINALLY, REGARDING THE LOAN FUND  
15        STATUS, AS OF NOVEMBER 30TH, 57 LOANS HAVE BEEN  
16        CLOSED IN THE AMOUNT OF \$23.9 MILLION. AN  
17        ADDITIONAL FIVE ACTIVE LOAN APPLICATIONS IN THE  
18        AMOUNT OF 3.2 MILLION HAVE BEEN APPROVED BY THE  
19        BOARD, BUT ARE NOT YET CLOSED.

20                   APPROXIMATELY 18.4 MILLION OF RMDZ  
21        LOAN FUNDS REMAIN FOR THIS FISCAL YEAR. THIS  
22        INCLUDES \$350,000 OF TIRE FUNDS.

23                   DURING THE MONTH OF DECEMBER, STAFF  
24        ESTIMATES -- ESTIMATES THAT IT WILL CLOSE THREE  
25        LOANS TOTALING 1.9 MILLION. ONE LOAN TO PAUL T.

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1       BECK WAS PAID OFF EARLY.   THIS MEANS THAT THERE  
2       HAVE BEEN SIX LOANS TOTALING 1.9 MILLION WHICH HAVE  
3       PAID OFF EARLY SINCE THE PROGRAM BEGAN, AND THAT  
4       CONCLUDES THE REPORT.

5               CHAIRMAN RELIS:   OKAY.   ANY QUESTIONS?

6               I WILL VOUCH THAT IT RAINED THE WHOLE  
7       TIME AT THE MATT MALONE RANCH.   I THINK FREEZING IS  
8       MAYBE A BIT OF AN EMBELLISHMENT, BUT IT WAS IN AN  
9       OPEN BARN AND -- AND UNDER TRUE FARM CONDITIONS  
10      THAT WE WERE -- WE WERE MEETING.

11              MEMBER CHESBRO:   FOR THE RECORD, I'M HERE.

12              CHAIRMAN RELIS:   MR. CHESBRO, DO YOU HAVE  
13      ANY EX PARTES?

14              MEMBER CHESBRO:   NO.

15              CHAIRMAN RELIS:   SO WE'VE HEARD THE  
16      REPORT.   WE'LL NOW PROCEED WITH OUR ITEM,  
17      CONSIDERATION OF OPTIONS TO IMPROVE TIMELINESS OF  
18      NEWSPRINT CONSUMER CERTIFICATION.

19              MS. BROW:   MR. CHAIRMAN, RICK MUELLER WILL  
20      MAKE THE PRESENTATION AND I BELIEVE TOM NEWTON FROM  
21      THE CNPA IS HERE.   I DON'T KNOW IF HE WANTS TO  
22      SPEAK OR NOT.

23              CHAIRMAN RELIS:   YES, I HAVE A SLIP FROM  
24      MR.   NEWTON.

25              MR. MUELLER:   GOOD MORNING, MR. CHAIRMAN



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1       AND COMMITTEE MEMBERS.  FOR THE RECORD, MY NAME IS  
2       RICK MUELLER, AND I'M CURRENTLY THE LEAD FOR THE  
3       RECYCLED-CONTENT NEWSPRINT PROGRAM.

4                   THIS AGENDA ITEM IS REALLY A FOLLOW-UP  
5       TO THE PRESENTATION THAT I MADE TO THE COMMITTEE IN  
6       OCTOBER CONCERNING THE STATUS REPORT FOR THE  
7       RECYCLED-CONTENT NEWSPRINT PROGRAM.

8                   ONE OF THE ISSUES IDENTIFIED IN THE  
9       STATUS REPORT WAS THE HIGH NUMBER OF LATE AND  
10      DELINQUENT NEWSPRINT CONSUMER CERTIFICATIONS FOR  
11      THE 1996 REPORTING YEAR.  AT THAT TIME STAFF  
12      CONCLUDED THAT THE PROBLEM OF LATE CERTIFICATIONS  
13      REPRESENTED AN AREA OF CONCERN RELATED TO INDUSTRY  
14      COMPLIANCE, BUT STAFF DID NOT RECOMMEND INDUSTRY  
15      AUDITS OR ENFORCEMENT ACTION AT THAT TIME.

16                   HOWEVER, COMMITTEE CONSIDERATION ON  
17      THE MATTER WAS DEFERRED TO ALLOW STAFF TIME TO  
18      RESEARCH THE ALTERNATIVES OR THE OPTIONS THAT ARE  
19      AVAILABLE TO THE BOARD AND ALSO TO HAVE DISCUSSIONS  
20      WITH INDUSTRY ASSOCIATIONS.

21                   IN A NUTSHELL, I THINK THE PROBLEM  
22      CAN BE DEFINED AT LEAST -- AT LEAST FOR 1996 CAN BE  
23      DEFINED AS FOLLOWS:  THERE WERE 59 LATE NEWSPRINT  
24      CONSUMER CERTIFICATIONS FOR THE '96 REPORTING YEAR,  
25      AND DESPITE THE EFFORTS OF BOARD STAFF, 51 OF THOSE

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1       REPORTS WERE RECEIVED OVER 45 DAYS LATE.  THEY'RE  
2       DUE MARCH 1ST OF EACH YEAR.

3               THE EFFORT TO FOLLOW UP ON THESE LATE  
4       CERTIFICATIONS IS VERY LABOR INTENSIVE AND STAFF  
5       ESTIMATED THAT OVER ONE HUNDRED HOURS OF STAFF TIME  
6       WERE REQUIRED TO COMPLETE THE VARIOUS FOLLOW-UP  
7       ACTIONS TO BRING THESE CERTIFICATIONS IN ON TIME.

8               BOARD STAFF LOOKED AT THREE BASIC  
9       OPTIONS AVAILABLE TO THE BOARD, WHICH ARE AS  
10       FOLLOWS:  MAINTAIN THE STATUS QUO.  THE SECOND ONE  
11       IS PURSUE ENFORCEMENT OPTIONS, INCLUDING DEVELOPING  
12       A REGULATORY FRAMEWORK FOR FINING LATE FILERS.  THE  
13       THIRD OPTION, ENCOURAGE FOLLOW-UP EFFORTS BY  
14       INDUSTRY TRADE ASSOCIATIONS TO INFLUENCE MEMBERS.

15              I'D LIKE TO COVER THESE BRIEFLY.  THE  
16       FIRST OPTION, MAINTAIN THE STATUS QUO DOESN'T  
17       MEAN THAT WE DO NOTHING.  AS I MENTIONED, STAFF HAS  
18       A PROGRAM FOR DEALING WITH LATE CERTIFIERS.  
19       BASICALLY WE MAKE A SERIES OF TELEPHONE CALLS  
20       AFTER THE MARCH 1ST DEADLINE IS UP.  IF THIS  
21       DOESN'T WORK, WITHIN A MONTH OR SO, WE SEND OUT  
22       ENFORCEMENT LETTERS, AND WE HAVE ON OCCASION  
23       CONTACTED INDUSTRY ASSOCIATIONS AND REQUESTED THAT  
24       THEY PUBLISH ARTICLES IN INDUSTRY NEWSLETTERS.  
25       HOWEVER, THIS HASN'T BEEN A CONCERTED PUBLIC

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1       RELATIONS EFFORT ON THE PART OF THE ASSOCIATIONS.  
2                       THIS ISN'T SIMPLY A PROBLEM WHICH  
3       OCCURRED IN 1996. IT'S BEEN A -- IT'S BEEN  
4       CHRONIC. IT'S OCCURRED IN OTHER YEARS AS WELL, AND  
5       IT DOESN'T APPEAR THAT OUR CURRENT EFFORTS ARE --  
6       ARE HAVING AN IMPACT. IF ANYTHING, THE PROBLEM  
7       IS -- IS GETTING WORSE. IT CERTAINLY ISN'T GETTING  
8       ANY BETTER. SO FOR THAT REASON, STAFF HAS  
9       CONCLUDED THAT WHAT WE'RE DOING NOW SIMPLY ISN'T --  
10      ISN'T EFFECTIVE.  
11                      THE SECOND OPTION, PURSUE ENFORCEMENT  
12      OPTIONS AND/OR INSTITUTE AN INDUSTRY AUDITING  
13      PROGRAM. I'D LIKE TO TALK A LITTLE BIT ABOUT  
14      AUDITS FIRST.  
15                      THERE IS AN ESTABLISHED POLICY WHICH  
16      REQUIRES STAFF TO CONSIDER INDUSTRY -- OR TO  
17      CONSIDER LATE CERTIFICATIONS IN EVALUATING THE NEED  
18      FOR INDUSTRY AUDITS, AND THIS -- THE AUTHORITY TO  
19      DO AUDITING IS FOUND IN THE PUBLIC RESOURCES CODE  
20      42771 WHERE THE BOARD HAS THE AUTHORITY TO AUDIT  
21      FOR THE PURPOSE OF INSURING THAT RECYCLED CONTENT  
22      WAS USED.  
23                      AS SUCH, THE AUDITING AUTHORITY DOES  
24      NOT APPEAR TO BE INTENDED AS AN ENFORCEMENT TOOL  
25      FOR THIS PURPOSE, AND IT APPEARS -- OR STAFF HAVE

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1       CONCLUDED THAT AUDITING WOULD NOT BE THE MOST  
2       DIRECT OR EFFECTIVE APPROACH FOR ADDRESSING THE  
3       PROBLEM.   HOWEVER, THERE ARE TWO ENFORCEMENT  
4       ACTIONS WHICH STAFF CONSIDERS WOULD BE APPROPRIATE  
5       TO REDUCE LATE CERTIFICATIONS.

6                   THE FIRST ONE IS FOUND IN THE PUBLIC  
7       RESOURCES CODE 42790, AND THIS STATUTE PROVIDES FOR  
8       CRIMINAL OR QUASI-CRIMINAL PENALTIES AGAINST  
9       NEWSPRINT CONSUMERS THAT FAIL TO MEET THE  
10      CERTIFICATION REQUIREMENTS.   BASICALLY FINES CAN BE  
11      IMPOSED FOR UP TO \$1,000 FOR EACH INFRACTION.  
12      HOWEVER, THE FINES MUST BE -- OR THE ENFORCEMENT  
13      MUST BE ENFORCED BY THE STATE ATTORNEY GENERAL'S  
14      OFFICE OR A LOCAL DISTRICT ATTORNEY AT THE  
15      RECOMMENDATION OF THE BOARD.

16                   PERHAPS A MORE PRACTICAL ENFORCEMENT  
17      APPROACH CAN BE FOUND IN PRC SECTION 42791, WHICH  
18      PROVIDES THAT THE BOARD MAY IMPOSE A CIVIL PENALTY  
19      OF UP TO \$1,000 FOR EACH VIOLATION WHEN A NEWSPRINT  
20      CONSUMER OR SUPPLIER FAILS TO CERTIFY OR FAILS TO  
21      MEET THE NEWSPRINT CERTIFICATION REQUIREMENTS.  
22      THIS PROCEDURE WOULD REQUIRE A FORMAL NOTICE TO THE  
23      DELINQUENT CONSUMER AND ALSO A PUBLIC HEARING.

24                   OUR LEGAL STAFF -- OUR LEGAL OFFICE  
25      HAS REVIEWED THE -- THE ENFORCEMENT OPTIONS AND



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1       THEY HAVE CONCLUDED THAT THE BOARD WOULD FIRST NEED  
2       TO PROMULGATE REGULATIONS IN ORDER TO ESTABLISH A  
3       STRUCTURED ENFORCEMENT POLICY IF WE WANT TO GO  
4       BEYOND CASE-BY-CASE ENFORCEMENT.

5                       THIS STRUCTURED POLICY WOULD ESTABLISH  
6       LEVELS OF ENFORCEMENT AND A FRAMEWORK OF PROCEDURES  
7       AND CRITERIA NEEDED IN ASSESSING PENALTIES FOR LATE  
8       CERTIFIERS. SINCE THE TOTAL STAFF TIME REQUIRED TO  
9       COMPLETE RULEMAKING WOULD BE SIGNIFICANT, THE BOARD  
10      STAFF RECOMMENDS THAT THIS OPTION SHOULD BE  
11      SELECTED -- SHOULD NOT BE SELECTED UNTIL ALL VIABLE  
12      VOLUNTARY EFFORTS ARE EXHAUSTED.

13                     AND THE THIRD OPTION INVOLVES  
14      VOLUNTARY EFFORTS BY TRADE ASSOCIATIONS. THE  
15      CALIFORNIA NEWSPAPER PUBLISHER'S ASSOCIATION,  
16      CNPA, AND THE PRINTING INDUSTRIES OF CALIFORNIA  
17      ASSOCIATION HAVE BOTH OFFERED TO DEVELOP AND  
18      IMPLEMENT PUBLIC RELATIONS EFFORTS DIRECTED WITHIN  
19      THEIR RESPECTIVE INDUSTRIES TO REDUCE THE NUMBER OF  
20      LATE CERTIFIERS.

21                     SPECIFIC EFFORTS AS DISCUSSED WITH THE  
22      ASSOCIATIONS WOULD INVOLVE PUBLISHING ARTICLES IN  
23      THEIR VARIOUS ASSOCIATION NEWSLETTERS, SPECIAL  
24      BULLETINS, ANNOUNCEMENT -- ANNOUNCEMENTS AT  
25      INDUSTRY MEETINGS. AND FOR CERTIFICATIONS THAT ARE

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1        STILL LATE, THEY WOULD -- THEY HAVE AGREED TO MAKE  
2        SPECIAL TELEPHONE CONTACTS TO TRY TO BRING -- TO  
3        TRY TO BRING THE LATE CERTIFICATIONS IN IN A MORE  
4        TIMELY MANNER.

5                    IN OTHER WORDS, WE WOULD TRY TO AVOID  
6        THE VERY LATE CERTIFICATIONS, OVER 45 DAYS LATE.  
7        CONSUMERS OF NEWSPR -- BASICALLY THIS WOULD  
8        BENEFIT THE BOARD BECAUSE THE -- THE MESSAGE WOULD  
9        BE BROADER THAN JUST THE ISSUE OF LATE  
10       CERTIFICATIONS. THE MESSAGE WOULD BE BASICALLY  
11       THAT CONSUMERS OF NEWSPRINT MUST MAKE A CONCERTED  
12       EFFORT TO INCREASE THEIR USE OF RECYCLED CONTENT  
13       NEWSPRINT AND ALSO TO CER -- TO CERTIFY IN A TIMELY  
14       MANNER.

15                   SO BOARD STAFF CONSIDERS THAT  
16       VOLUNTARY EFFORTS BY TRADE ASSOCIATIONS IS A VIABLE  
17       OPTION WHICH IS AVAILABLE TO THE BOARD, AND WE  
18       THINK THAT THE POTENTIAL FOR SUCCESS IN THIS EFFORT  
19       WOULD BE VERY GOOD. AND AS I MENTIONED, THE PUBLIC  
20       RELATIONS EFFORTS WOULD ALSO SERVE TO RAISE  
21       INDUSTRY AWARENESS CONCERNING THE GOALS AND  
22       BENEFITS OF THE RECYCLED CONTENT LAW.

23                   I'D LIKE TO MAKE A FORMAL STAFF  
24       RECOMMENDATION AT THIS TIME. IT'S A TWO-PART  
25       RECOMMENDATION. THE FIRST PART IS STAFF RECOMMENDS

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1        THAT THE COMMITTEE APPROVE AND FORWARD TO THE FULL  
2        BOARD RESOLUTION 97-525, WHICH DIRECTS STAFF TO  
3        PURSUE VOLUNTARY EFFORTS TO REDUCE THE LATE FILING  
4        OF NEWSPRINT CONSUMER CERTIFICATIONS.

5                        STAFF BE -- BELIEVES THAT THE  
6        CALIFORNIA NEWSPAPER PUBLISHER'S ASSOCIATION AND  
7        THE PRINTING INDUSTRIES OF CALIFORNIA ASSOCIATION  
8        SHOULD BE ALLOWED AN OPPORTUNITY TO CONDUCT PUBLIC  
9        RELATIONS EFFORTS WITHIN THEIR RESPECTIVE  
10       INDUSTRIES TO PROMOTE THE GOALS AND REQUIREMENTS OF  
11       THE RECYCLED CONTENT LAW, INCLUDING TIMELY  
12       CERTIFICATION.

13                      THE SECOND PART OF THE RECOMMENDATION  
14       IS AS FOLLOWS: STAFF FURTHER RECOMMENDS THAT THE  
15       EFFECTIVENESS OF THE VOLUNTARY EFFORTS SHOULD BE  
16       EVALUATED DURING 1998 AND THE RESULTS REPORTED TO  
17       THE COMMITTEE DURING THE ANNUAL NEWSPRINT  
18       CERTIFICATION PROGRAM STATUS REPORT. THIS REPORT  
19       USUALLY OCCURS IN SEPTEMBER OF EACH YEAR. IF THE  
20       VOLUNTARY EFFORTS PROVE TO BE INEFFECTIVE, THE  
21       COMMITTEE MAY DETERMINE WHETHER ENFORCEMENT ACTION  
22       IS WARRANTED AT THAT TIME.

23                      THAT BASICALLY CONCLUDES MY  
24       PRESENTATION. I'D BE HAPPY TO ANSWER ANY QUESTIONS  
25       IF THERE ARE ANY.

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1                   CHAIRMAN RELIS:   QUESTIONS?

2                   I'D JUST LIKE TO OFFER A BRIEF  
3   COMMENT.   WE'VE HAD A -- A GOOD RUN, I THINK, WITH  
4   THE CNPA OVER THE YEARS AND WITH THE WHOLE INDUSTRY  
5   ON GENERAL COMPLIANCE.   WE ARE CONCERNED THAT WE  
6   MIGHT BE FALLING BACK A BIT AT -- THE TIMELINESS OF  
7   GETTING -- THIS MATERIAL, I KNOW, IS OF ISSUE FOR  
8   BOTH THE STAFF AND THE BOARD, SO THESE LATE FILINGS  
9   AFTER PRODDINGS OCCUPIES A TERRIFIC AMOUNT OF  
10   STAFF TIME, AND WE FRANKLY, FROM MY PERSPECTIVE,  
11   WOULD NOT LIKE TO SEE -- DON'T WANT TO SEE THIS  
12   CONTINUED, AND I'M FULLY IN AGREEMENT WITH THE  
13   STAFF RECOMMENDATION.

14                  I WOULD JUST LIKE TO SEE US AND ASK  
15   MR. NEWTON -- I KNOW HE IS HERE TODAY AND HE'S  
16   SUBMITTED A SLIP, BUT I'D LIKE TO SEE US LOOK FOR A  
17   HUNDRED PERCENT -- A HUNDRED PERCENT REDUCTION IN  
18   THE NUMBER OF LATE CERTIFICATIONS WORKING WITH CNPA  
19   AND THE PRINTING INDUSTRIES OF CALIFORNIA, THE  
20   ASSOCIATION THERE, SO THAT WE REALLY SET OURSELVES  
21   A HIGH -- A HIGH STANDARD FOR THIS COMING YEAR,  
22   AND I WONDERED, MR. NEWTON, COULD YOU RESPOND TO  
23   THAT DIRECTION?

24                  DO YOU THINK YOU COULD -- YOUR  
25   INDUSTRY COULD DELIVER ON THIS?



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1                   MR. NEWTON:   TOM NEWTON, CALIFORNIA  
2   NEWSPAPER PUBLISHER'S ASSOCIATION.

3                   A HUNDRED PERCENT, PROBABLY NOT, BUT I  
4   THINK WE CAN DO OUR BEST.

5                   PUBLISHERS -- SOME OF OUR OPERATIONS  
6   ARE FIVE- TO TEN-EMPLOYEE OPERATIONS AND SOME OF  
7   THEM ARE 5,000-EMPLOYEE OPERATIONS.   THE SMALLEST  
8   AND THE LARGEST NEWSPAPER -- NEWSPAPERS IN THE  
9   STATE ARE REPRESENTED BY CNPA.

10                  PUBLISHERS ARE BUSY, DISTRACTED PEOPLE  
11   AND, YOU KNOW, WE CAN DO OUR BEST.   A LOT OF TIMES  
12   YOU'RE ALL -- YOUR IN BOXES, I'M SURE, ARE SO HUGE  
13   SOMETIMES, IT'S VERY DIFFICULT TO READ EVERYTHING,  
14   INCLUDING SOME OF THE INDUSTRY BULLETINS THAT YOU  
15   MAY RECEIVE.   I'M SURE THAT'S THE CASE WITH OUR  
16   BULLETIN.

17                  I THINK THE -- THE THING THAT WE CAN  
18   DO -- AND THAT WAS WHOLEHEARTEDLY ENDORSED BY OUR  
19   BOARD OF DIRECTORS AT OUR OCTOBER BOARD MEETING --  
20   WAS GET ON THE PHONE, AND AT THE DIRECTION OF RICK,  
21   WHO HOPEFULLY WILL BE ABLE TO IDENTIFY THE ACTUAL  
22   PERSON WHO IS FILING THE FORM, BECAUSE  
23   I DON'T KNOW THAT MYSELF IN MANY CASES, WE'LL  
24   JUST -- WE'LL CALL THEM AND -- AND HOPEFULLY GET  
25   THEM IN WELL BEFORE THE 45-DAY PERIOD AFTER IT IS

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1 DETERMINED THAT THEY -- THEY ARE INDEED LATE.

2 A HUNDRED PERCENT'S A GOOD GOAL AND  
3 WE'LL DO OUR BEST.

4 I DO HAVE ONE OTHER COMMENT I WOULD  
5 LIKE TO MAKE.

6 CHAIRMAN RELIS: YES, PLEASE.

7 MR. NEWTON: I DIDN'T COME TO THE LAST  
8 MEETING; MY COLLEAGUE JIM EWERT DID, AND HE  
9 REPORTED BACK TO ME AND TO THE BOARD THAT IT WAS A  
10 VERY GOOD MEETING AND THAT THE COMMITTEE APPEARED  
11 TO BE UNANIMOUSLY LEANING TOWARD SOME SORT OF A --  
12 A PR CAMPAIGN, A VOLUNTARY ATTEMPT BY JIMMY  
13 BENETO'S PRINTING INDUSTRY OF CALIFORNIA AND CNPA  
14 IN ORDER TO -- TO SOLVE THIS PROBLEM, AND THAT  
15 CERTAINLY WAS OUR INTENT AND WE THOUGHT THAT WE  
16 WERE ON THE RIGHT TRACK THERE.

17 WENT TO THE BOARD MEETING AND REPORTED  
18 THAT TO OUR MEMBERS, AND THEY WERE PLEASED THAT WE  
19 WERE GOING TO HAVE THE OPPORTUNITY TO DO THIS. THE  
20 CHAIRMAN OF OUR GOVERNMENTAL AFFAIRS COMMITTEE WAS  
21 QUITE PERPLEXED AS TO WHY ANYBODY WOULD BE LATE IN  
22 FILING THIS RATHER BRIEF, RELATIVELY EASY FORM, AND  
23 HE WAS -- SURPRISED IS NOT STRONG ENOUGH. HE WAS  
24 ANGRY THAT SOME OF OUR MEMBERS WOULD BE  
25 JEOPARDIZING THE GOOD RELATIONSHIP THAT WE HAVE

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1 WITH THE BOARD, AND THERE WAS A VERY BRIEF  
2 DISCUSSION ABOUT IT BECAUSE IT WAS A SLAM DUNK  
3 THAT -- THAT WE WOULD DO OUR BEST TO TURN THIS  
4 AROUND, INCLUDING CALLING FOLKS WHO AREN'T  
5 COMPLYING.

6 I GOT BACK FROM THE BOARD MEETING ON  
7 MONDAY AND WAS REALLY QUITE SURPRISED TO SEE THIS  
8 PRESS RELEASE DATED OCTOBER 22ND WHERE THE LEAD  
9 SAYS THAT THE INTEGRATED WASTE MANAGEMENT BOARD  
10 SAID TODAY IT WILL CONSIDER HOW TO TAKE ENFORCE-  
11 MENT ACTIONS AGAINST NEWSPAPER PUBLISHERS AND  
12 PRINTERS DELINQUENT.

13 IT KIND OF --

14 CHAIRMAN RELIS: YES.

15 MR. NEWTON: -- TO ME DIDN'T HAVE ANY  
16 CONNECTION WITH WHAT ACTUALLY HAPPENED AT THE  
17 MEETING.

18 IT WASN'T ACCURATE REPORTING OF WHAT  
19 HAPPENED AT THE MEETING, AND I WAS VERY PLEASED  
20 LATER THAT IN THE BOARD'S -- THE WASTEWATCHER  
21 NEWSLETTER, THEY APPEARED TO GET IT RIGHT AND  
22 INDICATED THAT AT LEAST AT THAT MEETING THERE WAS  
23 AN AGREEMENT OR A -- A DIRECTION TO WORK TOGETHER  
24 ON THE ISSUE.

25 I UNDERSTAND THAT THIS RELEASE IS

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1       DISTRIBUTED QUITE WIDELY TO THE VERY MEMBERS THAT  
2       WE JUST TOLD -- INFORMED THAT WE HAD THE ISSUE  
3       UNDER CONTROL, AND TO THE EXTENT THEY EVER READ IT,  
4       WHICH IS KIND OF DOUBTFUL, I THINK THEY'D BE QUITE  
5       SURPRISED AND PERPLEXED IN QUESTIONING WHETHER  
6       THEIR STAFF HAD GIVEN THEM THE RIGHT INFORMATION.

7                       SO I DON'T KNOW WHAT TO SAY ABOUT THIS  
8       OTHER THAN THE IDEA THAT THIS MAY BE SOME SORT OF  
9       POETIC JUSTICE AND THAT WE REACH OUT AND BITE  
10      PEOPLE ALL THE TIME.  THOSE ARE MY COMMENTS ON IT  
11      AND I WAS VERY PLEASED THAT THE -- THERE WAS  
12      ANOTHER PUBLICATION THAT APPEARED TO GET IT -- TO  
13      GET IT RIGHT.

14                   CHAIRMAN RELIS:  I WOULD AGREE WITH YOU  
15      THAT THAT RELEASE DID NOT CAPTURE THE MEETING.  
16      FORTUNATELY --

17                   MEMBER PENNINGTON:  IT WAS TAKEN OUT OF  
18      CONTEXT.

19                   MEMBER CHESBRO:  FORTUNATELY THERE ARE  
20      SEVERAL LAYERS OF PROTECTION AND THE ERSTWHILE  
21      PUBLISHERS AND THE EXCELLENT EDITORS AND REPORTERS  
22      THEY'VE HIRED CAN GET TO THE BOTTOM OF WHETHER  
23      THEY'VE GOT COMPLETE AND ACCURATE INFORMATION.

24                   MR. NEWTON:  WE NEVER JUST PUBLISH THESE  
25      PRESS RELEASES, ANYWAY.



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1                   CHAIRMAN RELIS:  WE KNEW THAT WAS THE  
2   CASE.

3                   MR. NEWTON:  ONE FINAL --

4                   MEMBER PENNINGTON:  WE WERE TAKEN OUT OF  
5   CONTEXT.

6                   MR. NEWTON:  -- SMALL POINT.

7                   IN THIS PRESS RELEASE, IT INDICATES  
8   THAT THERE WAS ONE MAJOR SUPPLIER OF NEWSPRINT  
9   WHICH STOPPED MAKING RECYCLED NEWSPRINT WHICH  
10  CAUSED THE TOTAL NUMBER TO GO DOWN SLIGHTLY UNDER  
11  THE 50-PERCENT POINT.  IN REALITY, THEY STOPPED  
12  MAKING 40-PERCENT NEWSPRINT AND THEY DIDN'T MAKE  
13  ANY NEWSPRINT I THINK THAT WAS PURCHASED BY OUR  
14  MEMBERS THAT WAS UNDER 25 PERCENT RECYCLED CONTENT  
15  NEWSPRINT.  AND SO OUR MEMBERS WERE STILL USING  
16  RECYCLED CONTENT NEWSPRINT, JUST NOT NEWSPRINT THAT  
17  REACHED THE 40 PERCENT DEFINITION ESTABLISHED IN  
18  THE PUBLIC RESOURCES CODE.

19                   SO THAT'S ALSO -- COULD HAVE BEEN, I  
20  THINK, BETTER EXPLAINED.  THANKS FOR YOUR TIME, AND  
21  BY THE WAY, WE WHOLEHEARTEDLY ENDORSE THE  
22  RESOLUTION.

23                   CHAIRMAN RELIS:  DO WE HAVE A MOTION?

24                   MEMBER PENNINGTON:  SURE, I'LL MOVE.

25                   MEMBER CHESBRO:  SECOND.

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1                   CHAIRMAN RELIS:   THE RESOLUTION IS --

2                   MEMBER PENNINGTON:   THIS DOES NOT AFFECT  
3   WHAT WE'RE DOING WITH THIS ONE DELINQUENT GROUP?

4                   CHAIRMAN RELIS:   NO.   THAT'S A SEPARATE  
5   ENFORCEMENT ACTION.   SO THE RESOLUTION HAS BEEN  
6   MOVED AND SECONDED.   DID I HEAR A SECOND?

7                   MEMBER CHESBRO:   YES.

8                   CHAIRMAN RELIS:   OKAY.   WE'LL CALL THE  
9   ROLL.

10                  THE SECRETARY:   MEMBER PENNINGTON?

11                  MEMBER PENNINGTON:   AYE.

12                  THE SECRETARY:   MEMBER CHESBRO?

13                  MEMBER CHESBRO:   AYE.

14                  THE SECRETARY:   CHAIRMAN RELIS?

15                  CHAIRMAN RELIS:   AYE.

16                         ANY OPEN BUSINESS HERE TO DEAL WITH?

17   YES.   CONSENT?

18                  MEMBER PENNINGTON:   YES.

19                  CHAIRMAN RELIS:   THAT CONCLUDES OUR  
20   BUSINESS FOR TODAY.   WE'RE ADJOURNED.

21

22                         (THE MEETING CONCLUDED AT 10:02 A.M.)

23

24

25

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